

# **The Synod of the Diocese of Rupert's Land**

Financial Statements  
**December 31, 2015**



May 28, 2016

## **Independent Auditor's Report**

### **To the Diocesan Council of The Synod of the Diocese of Rupert's Land**

We have audited the accompanying financial statements of The Synod of the Diocese of Rupert's Land, which comprise the balance sheet as at December 31, 2015 and the statements of operations, changes in fund balances and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Synod of the Diocese of Rupert's Land as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

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# The Synod of the Diocese of Rupert's Land

## Balance Sheet

For the year ended December 31, 2015

									2015	2014
	Operating Fund	Property Capital Fund	New Church Development Fund	General Trust Fund	Hobson Trust Fund	Bird Trust Fund	Shared Ministry Investment Fund	Healing and Reconciliation Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>										
Cash and term deposits	307,728	-	-	-	-	-	-	-	307,728	213,981
Accounts and loans receivable (note 3)	78,504	-	-	3,359	-	-	-	-	81,863	99,925
Prepaid expenses	7,197	-	-	-	-	-	-	-	7,197	2,234
Due from (to) trusts	(123,213)	(23,405)	25,588	143,642	-	(8,843)	(25,135)	11,366	-	-
	270,216	(23,405)	25,588	147,001	-	(8,843)	(25,135)	11,366	396,788	316,140
<b>Investments - at market value (note 4)</b>	36,711	324,674	871,018	2,598,180	376,821	232,453	555,038	-	4,994,895	4,513,567
<b>Capital assets - net (note 5)</b>	-	192,124	-	-	-	-	-	-	192,124	216,136
	306,927	493,393	896,606	2,745,181	376,821	223,610	529,903	11,366	5,583,807	5,045,843
<b>Liabilities</b>										
Accounts payable and accrued liabilities	28,497	1,329	-	4,819	500	1,949	2,269	-	39,363	37,789
Distributions payable	-	-	-	14,438	14,675	-	41,860	-	70,973	71,279
	28,497	1,329	-	19,257	15,175	1,949	44,129	-	110,336	109,068
Designated payables (note 6)	125,998	-	-	1,355,950	-	-	-	-	1,481,948	1,421,534
Long-term debt (note 7)	5,691	-	-	-	-	-	-	-	5,691	7,113
	160,186	1,329	-	1,375,207	15,175	1,949	44,129	-	1,597,975	1,537,715
<b>Net assets</b>										
Externally restricted	-	-	-	951,870	334,110	172,467	-	-	1,458,447	1,458,447
Internally restricted (note 8)	55,273	-	733,405	203,903	14,258	26,304	438,873	11,366	1,483,382	1,480,263
Unrestricted	91,468	492,064	163,201	214,201	13,278	22,890	46,901	-	1,044,003	569,418
	146,741	492,064	896,606	1,369,974	361,646	221,661	485,774	11,366	3,985,832	3,508,128
	306,927	493,393	896,606	2,745,181	376,821	223,610	529,903	11,366	5,583,807	5,045,843

Approved by the Diocesan Council

The accompanying notes are an integral part of these financial statements.

# The Synod of the Diocese of Rupert's Land

## Statement of Operations

For the year ended December 31, 2015

									2015	2014
	Operating Fund	Property Capital Fund	New Church Development Fund	General Trust Fund	Hobson Trust Fund	Bird Trust Fund	Shared Ministry Investment Fund	Healing and Reconciliation Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>										
Parish pledges	629,434	-	-	-	-	-	-	-	629,434	601,398
Trust income	6,652	-	-	33,558	-	-	-	-	40,210	45,770
Donations, bequests and other (note 10)	123,116	-	-	-	-	-	-	595	123,711	122,097
Income from investments	-	5,947	56,268	74,058	25,539	15,399	35,698	-	212,909	327,439
Designated receipts	39,054	-	-	129,967	-	-	-	-	169,021	131,230
Miscellaneous	13,683	-	-	-	-	-	-	-	13,683	28,849
Sale of property	-	280,026	-	32,805	-	-	-	-	312,831	-
	811,939	285,973	56,268	270,388	25,539	15,399	35,698	595	1,501,799	1,256,783
<b>Expenditures</b>										
Parishes	43,350	-	-	-	-	-	-	-	43,350	52,118
Episcopal supervision	117,657	-	-	-	-	-	-	-	117,657	111,288
Wider Church	158,391	-	-	-	-	-	-	-	158,391	156,775
Parish and Diocesan program	67,363	-	-	-	-	-	-	1,595	68,958	100,000
Youth program	10,400	-	-	-	-	-	-	-	10,400	11,114
Administration and general	64,522	1,902	35,155	16,407	3,501	3,371	7,987	-	132,845	126,452
Diocesan staff	219,890	-	-	-	-	-	-	-	219,890	217,700
Pastoral and sundry	32,183	-	-	-	-	-	-	-	32,183	19,155
Retired clergy and widows	50,439	-	-	-	-	-	-	-	50,439	28,830
Interest and property	257	-	-	-	-	-	-	-	257	1,251
Distributions to beneficiaries (note 11)	-	-	-	32,354	24,675	3,000	13,107	-	73,136	83,576
Amortization	-	28,490	-	-	-	-	-	-	28,490	27,379
Designated disbursements	16,830	-	-	67,849	-	-	-	-	84,679	109,066
Lambeth / General Synod	3,420	-	-	-	-	-	-	-	3,420	-
	784,702	30,392	35,155	116,610	28,176	6,371	21,094	1,595	1,024,095	1,044,704
<b>Excess (deficiency) of revenue over expenditures</b>	27,237	255,581	21,113	153,778	(2,637)	9,028	14,604	(1,000)	477,704	212,079

The accompanying notes are an integral part of these financial statements.

# The Synod of the Diocese of Rupert's Land

## Statement of Changes in Fund Balances

For the year ended December 31, 2015

								2015	2014	
	Operating Fund	Property Capital Fund	New Church Development Fund	General Trust Fund	Hobson Trust Fund	Bird Trust Fund	Shared Ministry Investment Fund	Healing and Reconciliation Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Externally restricted</b>										
Balance - beginning of year	-	-	-	951,870	334,110	172,467	-	-	1,458,447	1,409,393
Allocation from unrestricted	-	-	-	-	-	-	-	-	-	49,054
Balance - end of year	-	-	-	951,870	334,110	172,467	-	-	1,458,447	1,458,447
<b>Internally restricted</b>										
Balance - beginning of year	51,154	19,848	733,405	184,055	14,258	26,304	438,873	12,366	1,480,263	1,537,407
Interfund transfers (note 9)	-	(19,848)	-	19,848	-	-	-	-	-	-
Allocation to (from) unrestricted	4,119	-	-	-	-	-	-	(1,000)	3,119	(57,144)
Balance - end of year	55,273	-	733,405	203,903	14,258	26,304	438,873	11,366	1,483,382	1,480,263
<b>Unrestricted</b>										
Balance - beginning of year	45,268	236,483	142,088	68,767	15,915	20,126	40,771	-	569,418	349,249
Revenue in excess of expenditures	27,237	255,581	21,113	153,778	(2,637)	9,028	14,604	(1,000)	477,704	212,079
Interfund transfers (note 9)	23,082	-	-	(8,344)	-	(6,264)	(8,474)	-	-	-
Allocation to externally restricted	-	-	-	-	-	-	-	-	-	(49,054)
Allocation to (from) internally restricted	(4,119)	-	-	-	-	-	-	1,000	(3,119)	57,144
Balance - end of year	91,468	492,064	163,201	214,201	13,278	22,890	46,901	-	1,044,003	569,418
	146,741	492,064	896,606	1,369,974	361,646	221,661	485,774	11,366	3,985,832	3,508,128

The accompanying notes are an integral part of these financial statements.

# The Synod of the Diocese of Rupert's Land

## Statement of Cash Flows

For the year ended December 31, 2015

								2015	2014	
	Operating Fund \$	Property Capital Fund \$	New Church Development Fund \$	General Trust Fund \$	Hobson Trust Fund \$	Bird Trust Fund \$	Shared Ministry Investment Fund \$	Healing and Reconciliation Fund \$	Total \$	Total \$
<b>Cash provided by (used in)</b>										
<b>Operating activities</b>										
Excess (deficiency) of revenue over expenditures	27,237	255,581	21,113	153,778	(2,637)	9,028	14,604	(1,000)	477,704	212,079
Items not affecting cash	-	28,490	-	-	-	-	-	-	28,490	27,379
Amortization	-	28,490	-	-	-	-	-	-	28,490	27,379
Realized and unrealized gains on investments	-	(5,947)	(56,268)	(71,468)	(25,539)	(15,399)	(35,698)	-	(210,319)	(324,481)
	27,237	278,124	(35,155)	82,310	(28,176)	(6,371)	(21,094)	(1,000)	295,875	(85,023)
Change in non-cash working capital items										
Prepaid expenses	(4,963)	-	-	-	-	-	-	-	(4,963)	4,878
Accounts and loans receivable	16,069	-	-	1,993	-	-	-	-	18,062	(12,967)
Due from (to) trusts	108,968	(31,924)	105	(65,545)	-	(7,952)	(4,652)	1,000	-	-
Accounts payable and accrued liabilities	1,620	1,329	-	(755)	-	(215)	(405)	-	1,574	(30,123)
Distributions payable	-	-	-	(3,047)	(3,214)	-	5,955	-	(306)	6,429
Designated payables	(21,021)	-	-	-	-	-	-	-	(21,021)	69,324
	127,910	247,529	(35,050)	14,956	(31,390)	(14,538)	(20,196)	-	289,221	(47,482)
<b>Financing and investing activities</b>										
Purchase of capital assets - net	-	(4,478)	-	-	-	-	-	-	(4,478)	14,895
Purchase of investments	-	(279,381)	-	(174,718)	-	-	-	-	(454,099)	(511,158)
Proceeds on disposal of investments	3,016	573	35,050	78,327	31,390	14,538	20,196	-	183,090	310,056
Demand loan	-	-	-	-	-	-	-	-	-	(165,794)
Long-term debt	(1,422)	-	-	-	-	-	-	-	(1,422)	(1,368)
Designated payables	-	-	-	81,435	-	-	-	-	81,435	482,790
	1,594	(283,286)	35,050	(14,956)	31,390	14,538	20,196	-	(195,474)	129,421
<b>Increase (decrease) in cash and term deposits</b>	129,504	(35,757)	-	-	-	-	-	-	93,747	81,939
<b>Cash and term deposits - Beginning of year</b>	178,224	35,757	-	-	-	-	-	-	213,981	132,042
<b>Cash and term deposits - End of year</b>	307,728	-	-	-	-	-	-	-	307,728	213,981

The accompanying notes are an integral part of these financial statements.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### 1 Purpose of organization

The purpose and objective of The Synod of the Diocese of Rupert's Land (the Diocese) is the government and administration of the affairs of The Anglican Church of Canada within the Diocese of Rupert's Land.

Effective August 1, 2014, the Diocese realigned its boundaries to include twelve parishes from the former Diocese of Keewatin.

### 2 Summary of significant accounting policies

#### **Basis of presentation**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies.

#### **Fund accounting**

Revenues and expenses related to Diocese operations are reported in the Operating Fund. All other revenues and expenses are reported in their respective funds.

#### ***Property Capital Fund***

The Property Capital Fund reports the assets, liabilities, revenues and expenses related to the Diocese's capital assets.

#### ***New Church Development Fund***

The New Church Development Fund reports the assets, liabilities, revenue and expenses related to new church development within the Diocese of Rupert's Land.

#### ***General Trust Fund***

The General Trust Fund consists of a group of trusts funded through donations and investment income from trust funds which are administered by the Diocese of Rupert's Land with the income allocated for specific beneficiaries or purposes. This fund also includes proceeds from the sale of real property of parishes within the Diocese of Rupert's Land which are being held in trust for future use by the parish.

#### ***Hobson Trust Fund***

Under provisions of the last will and testament of William Edward Hobson, revenues from the Hobson Trust Fund are to be used for the general purposes of St. John's College.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### ***Bird Trust Fund***

The Bird Trust Fund was created from proceeds given to the Diocese by Mr. Hubert John Bird. Revenues earned on the original endowment are used for the advancement of religion and education.

### ***Shared Ministry Investment Fund***

The Shared Ministry Investment Fund was created in 2004 out of the remaining proceeds from the sale of Anglican Island. The purpose of this fund is to provide ongoing support to the Diocesan operating budget as well as provide support to parish projects. The distribution of revenue from this fund will be as follows: 30% to the Diocesan Operating Budget, 30% to the Diocesan Youth Ministry program, 30% to Parish projects, and 10% for Parish and Diocesan emergencies.

### ***Healing and Reconciliation Fund***

The Healing and Reconciliation Fund was created to fund local programs and initiatives developed by aboriginal people for aboriginal people.

### **Accounts included**

These financial statements reflect only the accounts of the Diocese and do not include the assets, liabilities, revenue and expenditures of parish and other Diocesan-sponsored organizations.

The General, Bird and Hobson trusts are funds administered by the Diocese and are managed by the Diocesan Investment Committee. The income distribution of these trusts is restricted by the terms of the trusts.

### **Revenue recognition**

Restricted and unrestricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

### **Capital assets**

#### ***Property Capital Fund***

Purchased capital assets are recorded in the Property Capital Fund at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives:

Buildings	40 years
Building improvements	10 years
Equipment	3 to 7 years

Contributions received for capital assets are amortized on the same basis as the related assets.



# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### Financial instruments

#### a) Measurement of financial instruments

The Diocese initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Diocese subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and term deposits and accounts and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, designated payables, distributions payable and long-term debt.

#### b) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a writedown is recognized in the statement of operations. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

### 3 Accounts and loans receivable

Accounts and loans receivable consist of the following amounts:

	2015 \$	2014 \$
<b>Operating Fund</b>		
Clergy loans	3,832	10,409
Receivable from parishes	29,725	27,027
Promissory note receivable	5,569	6,997
Due from Rupert's Land Capital Fund Inc.	11,209	11,842
Due from Bishop of the Diocese of Rupert's Land (a Corporation)	19,517	17,715
Other receivables	8,652	20,583
	<hr/> 78,504	<hr/> 94,573
<b>General Trust Fund</b>		
Other receivables	3,359	5,352
	<hr/> 81,863	<hr/> 99,925

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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The promissory note receivable from St. Mary's la Prairie Anglican Church is due in 2019 and the interest rate is fixed on the anniversary date of the loan each year at prime plus 1%, currently 4%.

The Diocese is the beneficiary of trust funds held in The Bishop of the Diocese of Rupert's Land (a Corporation) (the Bishop's Corporation). The amount due from the Bishop's Corporation represents income from the trust funds not yet remitted to the Diocese. The Bishop's Corporation is not a related party of the Diocese.

All other amounts are non-interest bearing and due on demand.

### 4 Investments

	2015 \$	2014 \$
Investments in Integra Balanced Mutual Funds		
Balanced Funds		
Property capital fund	324,674	-
New Church Development Fund	871,018	849,800
General Trust Fund	2,533,654	2,366,340
Hobson Trust Fund	376,821	382,672
Bird Trust Fund	232,453	231,592
Shared Ministry Investment Fund	555,038	539,536
	<hr/> 4,893,658	<hr/> 4,369,940
Investments in Canadian Imperial Bank of Commerce Funds		
Operating Fund - Money Market Fund	36,711	39,727
Property Capital Fund - Money Market Fund	-	39,919
	<hr/> 36,711	<hr/> 79,646
Investment in Consolidated Trust Fund of the Anglican Church of Canada - General Trust Fund	<hr/> 64,526	<hr/> 63,981
	<hr/> <hr/> 4,994,895	<hr/> <hr/> 4,513,567

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### 5 Capital assets

#### Property Capital Fund

	2015			2014		
	Cost \$	Accumulated amortization \$	Net \$	Cost \$	Accumulated amortization \$	Net \$
Land	26,058	-	26,058	26,058	-	26,058
Buildings	302,572	237,409	65,163	302,572	229,844	72,728
Building improvements	240,540	72,209	168,331	240,540	48,085	192,455
Equipment	31,396	24,600	6,796	26,917	18,302	8,615
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deferred contributions	600,566 (94,960)	334,218 (20,736)	266,348 (74,224)	596,087 (94,960)	296,231 (11,240)	299,856 (83,720)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	505,606	313,482	192,124	501,127	284,991	216,136

During the year, contributions of \$nil (2014 - \$18,200) were received for building improvements.

### 6 Designated payables

Designated funds are externally restricted contributions that are received and deposited by the Diocese for the exclusive use of various programs or events in subsequent years. These funds are held until they are either required for their specific designated use or required to be remitted.

Proceeds from the sale of real property are generally reported in the statement of operations. However, where there is an expectation that the parish will be rebuilt or relocated in the future, the proceeds are held in the General Trust Fund on the balance sheet.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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At December 31, 2015, the Diocese holds the following externally restricted contributions:

	2015 \$	2014 \$
Operating Fund		
St. Benedict's Table	81,317	64,259
St. George Woodlands Cemetery	21,564	22,903
Archdeaconry Kenora/St. Alban's	23,117	59,857
	<hr/> 125,998	<hr/> 147,019
General Trust Fund		
Church of the Good Shepherd	472,647	470,297
St. Chad's	384,487	382,141
St. Francis	211,515	201,559
Archdeaconry Kenora/St. Alban's	287,301	220,518
	<hr/> 1,355,950	<hr/> 1,274,515
	<hr/> 1,481,948	<hr/> 1,421,534

### 7 Long-term debt

Long-term debt consists of a promissory note payable to Rupert's Land Capital Fund Inc., repayable in monthly instalments of \$140 including principal and interest. The note bears interest at prime plus 1% (currently 4%) and matures in 2019.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### 8 Internally restricted funds

Internally restricted funds consist of:

	2015 \$	2014 \$
Operating Fund		
Clergy loan fund	29,246	29,246
Reserve for Lambeth/General Synod	26,027	21,908
	<hr/>	<hr/>
	55,273	51,154
Property Capital Fund - Fairford Equity	-	19,848
New Church Development Fund - Capital	733,405	733,405
General Trust Fund - Capital	203,903	184,055
Hobson Trust Fund - Capital	14,258	14,258
Bird Trust Fund - Capital	26,304	26,304
Shared Ministry Investment Fund - Capital	438,873	438,873
Healing and Reconciliation Fund - Healing and Reconciliation	11,366	12,366
	<hr/>	<hr/>
	1,483,382	1,480,263
	<hr/>	<hr/>

### 9 Interfund transfers

The Diocese operates within the auspices of The Anglican Church of Canada. The ongoing operations of The Synod are dependent upon the continued financial support of parishes within the Diocese of Rupert's Land.

The following interfund transfers allocated trust income to the Operating Fund:

	2015 \$	2014 \$
Diocesan General Trust	8,344	9,900
Bird Trust	6,264	7,982
Shared Ministry Investment Trust	8,474	9,567
	<hr/>	<hr/>
	23,082	27,449
	<hr/>	<hr/>

In addition, the Property Capital Fund transferred internally restricted funds of \$19,848 to the General Trust Fund.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2015

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### 10 Donations, bequests and other revenue

Donations, bequests and other revenue consist of the following:

	2015 \$	2014 \$
Operating Fund		
New England Co.	11,877	11,800
Anderson Trust	50,439	28,830
Parishioners contributions	3,835	8,479
Rupert's Land Capital Fund Inc.	10,535	11,255
Rupert's Land News	22,507	35,998
Other	23,923	25,386
	<hr/> 123,116	<hr/> 121,748
Healing & Reconciliation Fund		
Parishioners contributions	595	349
	<hr/> 123,711	<hr/> 122,097

### 11 Distributions to beneficiaries

Distributions to beneficiaries consist of:

	2015 \$	2014 \$
St. John's College	27,133	30,619
Other distributions	46,003	52,957
	<hr/> 73,136	<hr/> 83,576

### 12 Employee pension plan

The Diocese is a member of the Anglican Church of Canada's pension plan providing pension benefits to its employees and is required to make a defined contribution each year to the plan. The net expense for the year is \$39,402 (2014 - \$38,114).

